



## EXTENSION CENTRAL NEWS

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## Limit Your Exposure to Dusts and Molds this Harvest Season

Submitted by Ken Schroeder  
Portage County, Ag Agent

Dust exposure while working on the farm is inevitable. Producing corn, soybeans, or other crops can be a dusty experience. Exposure can occur in the combine, while unloading, during drying and processing, in bins, in an area near any of these situations, and while grinding and mixing grain or feed products. Take precautions to limit your exposure this harvest season.



### Why should I be concerned?

Breathing in grain dust can affect your health and overall comfort. Tiny dust particles and mold spores can be inhaled into the lungs. Dusts that come from a living source (“organic dusts”) such as hair, bedding, hay, grain, silage, and dried urine and feces are most dangerous. In the natural process of decomposition, molds break down plant materials, producing spores and in bacterial cases endotoxins causing inflammation of lung tissue. These tiny particles become airborne and are easily inhaled. Farm workers can be exposed to large amounts of dusts and molds in their everyday activities. Some of these substances can cause severe respiratory problems, both immediate and long term.

**How can I reduce/control my exposure?** Dusts and molds are almost impossible to avoid if you work in agriculture. Grain dust exposure and the associated problems and health symptoms are complex. But you can limit your exposure by taking these general measures. Think about how to apply them in your setting to control your risk.

- Have the correct and clean air filter in place when operating your combine. Use the appropriate setting on the in-cab blower whether you are using the heater or A/C. This will minimize dust concentrations in the cab. When replacing filters, make sure all gaskets are intact so that the air is being well-filtered.
- Avoid direct exposures to dust whenever possible, regardless of your sensitivity. Stay in the cab when unloading. Use the wind to your advantage rather than standing directly in a cloud of dust any time grain is being moved.

*Continued on page 2*

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## Limit Your Exposure—Continued from front page

- Properly adjust your combine to minimize grain damage. This will help minimize the amount of dust being generated.
- Wear a NIOSH-approved and certified “N-95” dust mask (respirator) that fits you properly. Especially, if you find yourself working in a very dusty situation that cannot be avoided. CAUTION: Wear a respirator only if you are free of health problems, particularly with your heart and lungs. Local health professionals can be a great source of information and can recommend the type of respirator that can be safely worn.
- Avoid dust exposure if you have any chronic respiratory health issues, including asthma, previous experience with Farmer’s Lung, or existing respiratory infections or conditions. Individuals who have these conditions should be alert for symptoms, even when working in a relatively clean environment like the cab of a combine and should minimize

their exposure to dust.

- If feeling sick, call your health care provider. If you find yourself working in a very dusty situation (like loading or cleaning out a bin or getting a heavy, prolonged exposure near a combine in the field) and end up feeling sick a few hours later, call for medical advice. Again, your problem may be a condition like Organic Dust Toxic Syndrome or Farmer’s Lung, but you may also have influenza or another illness.

For more information on exposure to dusts and molds see the following:

- Human Health Concerns from Grain Dusts and Molds During Harvest by John Shutske, Paul Esker and Steve Kirkhorn. <https://go.wisc.edu/upo2hi>
- Dust and Molds: Commonly Asked Questions. National Farm Medicine Center <https://go.wisc.edu/k5xpoy>



## New Nutrient and Pest Management Outreach Specialist

Hello, my name is Dan Marzu and I will be serving the north central region of Wisconsin as the Nutrient and Pest Management Outreach Specialist. For the past almost nine years I held Agriculture Extension Educator positions in Lincoln, Langlade, and Marathon Counties. My programming focused on practices that decrease soil erosion and nutrient runoff. These programs included assisting farmers in writing and implementing nutrient management plans and participating in research studies on nitrogen applications to corn and cover crops in northern Wisconsin.



Prior to my appointment with Extension, I was in private industry working as custom pesticide applicator and sales agronomist in Illinois and Wisconsin assisting farmers with crop protection and nutrient management decisions. During my employment in private industry, I earned my Certified Crop Adviser certification. I am a native of Wisconsin, growing up on a small dairy farm in Marinette County. In my free time I enjoy camping, hunting, and hiking.

The University of Wisconsin Nutrient and Pest Management (NPM) Program connects farmers and researchers on key issues of profitability, practicality, and environmental impact of crop production practices and cropping systems. Using input from Wisconsin agricultural industry stake-holders, state agencies, and university researchers, NPM helps create and deliver innovative, cost effective and timely outreach programs, publications, apps, and videos.

You can find materials at the following websites:

- Apps: <https://ipcm.wisc.edu/apps/>
- Videos: <https://ipcm.wisc.edu/video/>
- Nutrient Management Publications: <https://ipcm.wisc.edu/downloads/nutrient-management/>
- Pest Management Publications: <https://ipcm.wisc.edu/downloads/pest-management/>
- Growing Guide Publications: <https://ipcm.wisc.edu/downloads/guides/>

# UPCOMING CALENDAR EVENTS

## October 2021

16 Soap Making-Marathon County Extension

21 Beef Quality Assurance-Stratford

## November 2021

8 Beef Quality Assurance-Abbotsford

## December 2021

6 Beef Quality Assurance-Merrill

## January 2022

20 PAT Training-Adams County Community Center

25 PAT Training-Dalton Community Center

## February 2022

1&2 PAT Training-Marathon County Extension

8&9 PAT Training-Town of Johnson, Marathon Co

11 PAT Training-Marshfield Ag Research Station

16 PAT Training-Dalton Community Center

18 PAT Training-Marshfield Ag Research Station

25 Grazing Meeting-Dalton Community Center  
\$15 includes lunch

## March 2022

2 PAT Training-Abbotsford City Hall

4 PAT Training-Thorp Fire Hall

11 PAT Training-Neillsville

16 PAT Training-Dalton Community Center

17 PAT Training-Adams County Community Center

## PROJECT RECOVERY

Project Recovery is an outreach program working with individuals, families, and communities impacted by COVID-19 throughout the state of Wisconsin.

Trained outreach workers provide community-based support and education to help farmers, farmworkers, and their communities cope during this stressful time.

### CONTACT US:

1-833-FARM-HELP

(833) 327-6435 (toll free)

[www.projectrecoverywi.org](http://www.projectrecoverywi.org)



Project Recovery is a service made possible through partnerships between FEMA, Wisconsin Department of Health Services, Wisconsin Community Action Program Association, and Southwestern Wisconsin Community Action Program.

# Beef Quality Assurance Certifications Meetings Scheduled

Submitted by Sandy Stutgen  
Taylor County, Ag Agent

The UW-Madison's Division of Extension and the Wisconsin Beef Council will be hosting a set schedule of in-person Beef Quality Assurance (BQA) certification meetings over the coming months. In-person sessions are intended for those who cannot complete the online certification available by going to <https://www.bqa.org/> and clicking on 'Certification'.

To attend the in-person meetings, farmers must register 7 days before the meeting date as attendance is limited based on location capacity and to follow any COVID guidelines in place at that time. NO walk-ins will be allowed. Due to limited capacity, it is encouraged that one individual per farm attend the in-person meetings. The individual attending the meeting will hold the BQA certification; family members and employees are covered by that certification when it is filed with the market(s). It is each individuals' responsibility to share certification details with markets.

To register for an in-person session, go to <https://tinyurl.com/2hr5karf> or call the contact phone number listed below for the location you wish to attend. \*Note that for all Extension meetings, masks and social distancing may be required. Individuals not willing to comply will be asked to leave.



These are the only sessions scheduled, so do not wait to register; It is fine to have your BQA certification overlap rather than expire. BQA Certification is current for three years, and we know that winter 2018 -spring 2019 was the last cycle where over 2,000 Wisconsin producers certified. Chances are that your certification is set to expire winter 2021 -spring 2022.

Not every cattle producer NEEDS BQA Certification. Buyers representing some large packers and processors (including Tyson) only purchase cattle from farms

selling beef breed types of finished cattle that are BQA Certified. In addition, JBS requires that producers selling cattle directly to their plants sign an affidavit stating that they are "in compliance with all applicable state or national BQA certification and verification programs." National Dairy FARM (Farmers Assuring Responsible Management) certification is considered a BQA equivalent. The packer requirements represent their policy, not that of BQA or the Beef Checkoff program. Farmers with questions about BQA certification requirements should contact their markets or buyers directly.

BQA does more than just help beef producers capture more value from their cattle: BQA also reflects a positive public image and instills consumer confidence in the beef industry. When producers implement the best management practices of a BQA program, they assure the cattle they sell are the best they can be. Consumer research, conducted by the Beef Checkoff, showed that learning about BQA made consumers more confident in beef safety and animal welfare and improved positive consumer perceptions of how cattle are raised for food.

You may call in your registration for the following area in-person trainings:

**Oct. 21, 5:30 pm, Country Aire, Stratford.** To register call 715-748-3327 ext. 3. Program starts promptly at 5.45 pm, concludes by 8.30 pm. Burger Basket available for purchase, must order before 5.30 pm. You may include your food order when you register or by calling Country Aire directly at 715-687-4934

**Nov. 8, 5:30 pm, Abbotsford City Hall.** You are welcome to bring your own brown bag supper. To register call 715-748-3327 ext. 3.

**Dec. 6, 5:30 pm, Merrill High School.** To register call 715-748-3327 ext. 3.

**Dec. 7, 5:30 pm, W. Square Admin Building, Baraboo.** To register call 608-355-3250.

**Jan. 11, 5:30 pm, W. Square Admin Building, Baraboo.** To register call 608-355-3250.

**Jan. 11, 5:30 pm, Marquette County Service Center, Montello.** To register call 608-339-4237.



**WISCONSIN BEEF QUALITY ASSURANCE CERTIFICATION**

ATTEND AN IN-PERSON TRAINING OR COMPLETE ONLINE AT:  
[www.bqa.org](http://www.bqa.org)

**Register for an in-person session:**  
<https://tinyurl.com/2hr5karf>

\*Please RSVP seven days before an event



# Pregnancy Detection

Submitted by Ryan Sterry  
St. Croix County, Ag Agent

Beef producers have several options for conducting early pregnancy diagnosis on their herd. High feed costs and limited forage inventories are reasons to consider using pregnancy diagnosis this year if it is not part of your current herd management. Several pregnancy diagnosis methods are available to beef producers. Don't let open cows eat your feed, and profits, this winter.

Remember the real value of pregnancy diagnosis is not finding pregnant cows, but open cows. Identifying open cows early presents an opportunity for herd managers to make decisions. Will open cows be marketed, or given another breeding opportunity? If marketed, when?

## Pregnancy Diagnosis Methods

For many producers, rectal palpation conducted by a veterinarian has been and remains the gold standard. More options exist, though, with their own pros and cons. Four of the more common options are:

Direct detection (feeling or visualizing the fetus):

- **Transrectal palpation:** Accurate beginning 35 days after breeding. Experienced veterinarians can estimate the conception date (and thus expected calving date) if unknown and they can diagnose uterine and ovarian diseases, if present. The result is known immediately. Adding pregnancy palpations to your herd health program adds the opportunity to build your Veterinarian Client Patient Relationship (VCPR).
- **Transrectal ultrasound:** Accurate beginning 30 days after breeding. Experienced veterinarians can estimate the conception date (and thus expected calving date) if unknown and they can diagnose uterine and ovarian diseases, if present. Can diagnose cows carrying twins and fetal viability. Fetal sexing is possible 55 to 60 days after conception. The result is known immediately. This is also an opportunity to build your Veterinarian Client Patient Relationship.



Indirect detection (biological lab testing)

- **Pregnancy Associated Glycoproteins (PAG's):** Accurate beginning 25-30 days following breeding. Cows need to be 70-75 days post calving. Follow label directions specific to the test you select. Sample can be collected by blood or milk by the herd manager and submitted to a lab for analysis. Costs for testing supplies and shipping vary but may be a more cost-effective approach for some farms. Result is not known immediately as it is dependent on transport time and lab analysis.
- **Progesterone tests:** progesterone is the hormone responsible for maintaining pregnancy. Sampled through blood or milk, a low level detected indicates an open cow.

A high progesterone level detected does not ensure pregnancy, since it is also elevated during most of the animal's reproductive cycle. Repeated testing raises reliability, but is not practical on most beef operations, which limits its usefulness to beef producers.

No matter the method you select, use recommended animal handling practices. Keep and use accurate records to get the most value out of your pregnancy diagnostics.

Not every cow diagnosed pregnant will calve. Some early embryonic death is natural. However, rough handling and stress created at the time of pregnancy diagnosis can have a negative impact on fetal viability and increase the rate of early embryonic death.

In years with plentiful feed and favorable cattle prices, waiting to market open cows after the fall rush can be a viable strategy, along with giving cows a second chance for a fall calving season. However, in years with limited feed inventories and high feed prices we encourage producers to calculate the amount of feed needed to carry open cows through the winter. If feed inventories are limited, marketing open cows is one of the first herd reduction strategies to implement. Please see our article Culling Consideration for the Beef Cow-Calf Herd on the Extension Livestock Topic Hub for more information on market cow strategies.

You can see the video about pregnancy detection using calf bumping by Sandy Stuttgen using the link below.

[https://youtu.be/YUrRo\\_FW9rc](https://youtu.be/YUrRo_FW9rc)

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## **Beef Producer Survey**

The UW-Madison Division of Extension Livestock Program would love beef producer input to shape future beef programming. An anonymous survey was developed (link below) to gather this input. The survey is 13 questions long and has a mix of multiple choice and short-response questions so we can learn more about Wisconsin beef producers along with future industry challenges and opportunities. Survey link: [https://uwmadison.co1.qualtrics.com/jfe/form/SV\\_8hWjWNpvNuAZ3Yq](https://uwmadison.co1.qualtrics.com/jfe/form/SV_8hWjWNpvNuAZ3Yq)

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## **UW-Madison Division of Extension Livestock program seeking cooperators for beef x dairy cross calf research project**

The Livestock program area is looking for dairy farms and/or calf raisers who have beef x dairy cross calves and are willing to allow UW Extension field staff to weigh, measure and video record calves twice. The first set of measurements needs to be taken between birth and three weeks old and the second set when they weigh approximately 350 to 400 pounds. Cooperating farms will need to have a group(s) of at least 20 calves within the specified age range at a time for measurements, and a way to safely restrain the calves at the larger size.

If you are interested, please contact: Bill Halfman [william.halfman@wisc.edu](mailto:william.halfman@wisc.edu), 608-269-8722 or Ryan Sterry [ryan.sterry@wisc.edu](mailto:ryan.sterry@wisc.edu), 715-531-1930.



# AFRICAN SWINE FEVER



**REPORT SICK PIGS  
866-536-7593**

African swine fever is a virus that affects both domestic and wild pigs. It spreads very quickly and kills most pigs that get it. This disease has never been found in the United States. It is not a threat to human health. It is not a food safety issue.

People cannot get African swine fever, but they can carry it on clothing, shoes, and equipment. An outbreak in the United States would have devastating economic effects on the swine industry.

**Help keep U.S. pigs free of this deadly disease!**

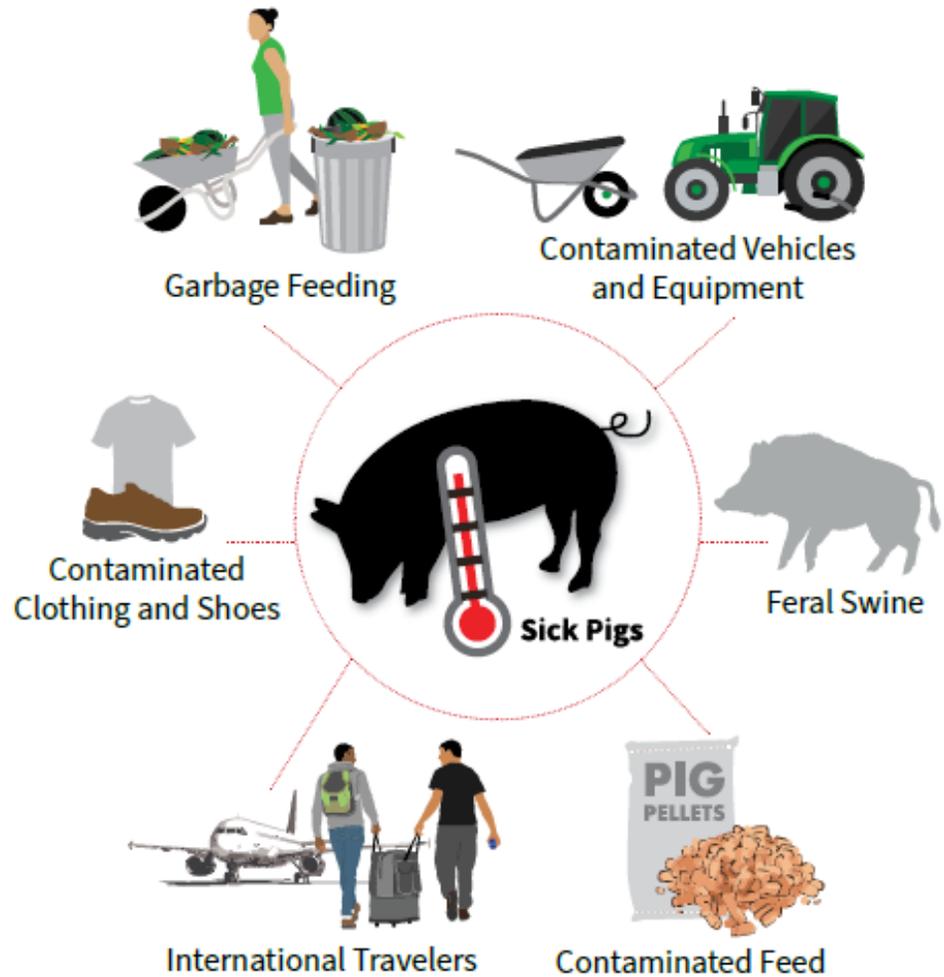
**Understand how the virus spreads, and do your part to protect against it.**

**More info:  
[www.aphis.usda.gov](http://www.aphis.usda.gov)**

# African Swine Fever

## Don't Spread This Deadly Disease

It's easy to spread African swine fever—without even knowing it. The virus can stay on clothing and equipment and survive for months in pork products. Be aware of these potential pathways and consider them when creating or updating biosecurity plans.



# Sweat Equity and Taxes

Submitted by Heather Schlessner and Joy Kirkpatrick  
Marathon County, Dairy Agent and Center for  
Dairy Profitability

In farming, sweat equity is a term that is loosely used to define the practice of using a commodity or capital asset to replace some of the cash wages for employees. Sweat equity is a means for aspiring farmers to gain assets that will lay the foundation of their business. Often time's farms do not know how to document sweat equity as a payment for wages. . This factsheet addresses how to correctly document sweat equity arrangements.

## Reporting Non-Cash Wages

Wages paid to an employee in the form of a commodity (grain, milk, livestock, etc.) are considered taxable income under I.R.C. § 3121(a)(8)(A)<sup>1</sup>. Therefore, they must be reported on the employee's W-2 form [Figure 1] in Box 1 (wages, tips and other compensation). However, they are not subject to Social Security and Medicare taxes (FICA taxes) for either the employer or the employee. In addition, they do not have to be reported in Box 3 or 5 (social security, Medicare wages, and tips).<sup>2</sup>

Figure 1: Blank W-2 Statement

The employee has a basis in the commodity equal to the value noted on the W-2 in box 1. Basis is the difference between the local cash price of a commodity and the price of a specific futures contract of the same commodity at any given point in time. A subsequent sale of the commodity by the employee will trigger a taxable gain or loss depending on whether the sale price exceeds or is less than the basis of the commodity. If the employee is not a dealer in the commodity and does not sell the commodity in the course of the farm business, the sale should be reported on Schedule D (Form 1040). If the employee is a dealer or farmer, the sale should be reported on Schedule C (Form 1040) or Schedule F (Form 1040), respectively.

The employer can claim a deduction for the value of the commodity paid to the employee but should report income as if the commodity had been sold for its fair market value.

## IRS Guidelines

In 1994 the IRS issued guidelines for dealing with non-cash payments in exchange for farm labor. These guidelines are not

binding on any party because the facts and circumstances of each case determine whether a payment constitutes “wages” for employment tax purposes. While the guidelines acknowledge that non-cash wages are not subject to FICA taxes, they provide a fairly narrow interpretation of Internal Revenue Code § 3121(a)(8)(A). Taxpayers can choose not to follow these guidelines, but they are more likely to be challenged in an audit by the IRS when they do not.

While there are many factors that can be used to determine if a transfer of in-kind compensation has occurred, these factors can be divided into two components: 1) Dominion and Control and 2) Cash Equivalency.

**Dominion and Control.** The first component determines if the employee exercises dominion and control over the commodity. The six factors IRS examiners consider when determining if the employee exercises dominion and control are:

1. **Documentation:** Documentation helps IRS examiners understand the transaction and offers evidence of the parties’ intent upon entering into the transaction. Documentation of both the employment relationship, including compensation practices, and the transfer of commodities is extremely important evidence in establishing a bona fide transfer of non-cash payments.

\* **Employment Relationship:** The employment relationship is outlined in the wage payment agreement. However, the wage payment agreement can be amended to include non-cash payment transactions. Non-cash payment transactions should be described in a written contract, employment agreement, or other written evidence, such as meeting minutes or posted employee announcements.

\* **Transfer of Commodities:** The transfer of commodities for non-cash payments should be documented by receipts, contracts, bills of sale, or other documents that record the transfer of assets. Weigh tickets, veterinary inspection tickets, breeding certificates, formal registration records, and receipts showing the employee has incurred storage and feed costs are examples of other documentation that record the transfer of assets.

2. **Marketing of the Commodity:** After the commodity is transferred to an employee, the employer cannot help the employee in the marketing of the transferred commodity. For example, if the employee sells the transferred commodity the employer cannot specify the selling price. If the employer specifies the selling price the employee has failed to exercise dominion and control over the commodity. However, the employee can contract with the employer to sell the commodity on his/her behalf. The guidelines recognize that, in some cases, the employee must associate his/her commodities with the employer’s commodities because of the demands of the purchasers. For example, the market may require such association if the employee’s quantity is small. The employee must be able to demonstrate that there are significant reasons to act in concert with the employer in marketing products.

Continued on page 8

**3. Risk of Gain or Loss:** A transaction will likely be treated as a non-cash payment of wages if the employee assumes a greater amount of risk. When compensation is stated as a percentage of production, the employee is assuming the most risk. There is less risk when the compensation is stated as a fixed quantity of a commodity. If the compensation is stated as a fixed dollar value of the commodity, the payment will be treated as a cash payment. This payment will not qualify for the FICA exemption and needs to be added to lines 3 and 5 of the W-2. [Figure 1]

**4. Employee's Holding Period:** The employee's holding period is the length of time an agricultural commodity is held by the employee. If the employer sets up a sales transaction with a third party prior to giving the commodity to the employee, the resulting income received by the employee for this transaction will be treated as a cash payment. This payment will not qualify for the FICA exemption and needs to be added to lines 3 and 5 of the W-2 [Figure 1]. The employee has to show management of the commodity and time is needed to do this. The commodity cannot move from the employer to the employee and immediately to the buyer. When this happens it is the same as the employer giving the employee the money from the sale. The employee needs to have some investment in the commodity for it to count as a commodity payment.

**5. Cost of Ownership:** Once the commodity has been transferred the employee should be responsible for the costs necessary to maintain it. If the employee uses the employer's facilities to maintain the commodity, the employee should pay rent on those facilities.

**6. Identification of Non-cash Payment:** A bona fide non-cash payment should involve the transfer of a specific, identified commodity or other product. Hogs, cattle, and other livestock should be tagged, marked, branded, or segregated into separate pens at the time the commodity is transferred to the employee. The documents evidencing the transfer of fungible farm products should identify the nature, grade, and quality of the commodities used to pay in-kind wages. Fungible farm products are items that are interchangeable because they are identical to each other for practical purposes. No. 2 yellow corn, is a fungible good because it does not matter where the corn grew; it is essentially the same product. All corn designated as No. 2 yellow corn is worth the same amount<sup>3</sup>.

**Cash Equivalency.** The second component focuses on whether the in-kind payment is equivalent to cash. Several of the factors considered in this component have already been discussed in relation to the first component. These include specifying a dollar quantity of commodities, the length of time the commodity is held by the employee, and the negotiability of the document used to transfer the commodity. In addition to those factors, the following factors are addressed:

**1. Cash Advances:** Cash advances made to employees by an employer that are to be satisfied upon sale of the commodity are treated as cash wages.

**2. Immediate Conversion:** If the employer knows that the employee will immediately convert the in-kind payment to cash, the payment will be treated as a cash wages.

**3. Sole Source of Income:** When the in-kind payment is an employee's only source of income for his/her agricultural labor, the transaction will be questioned. The transition will be questioned because the employee will need to convert the payment to cash to pay for living expenses. To determine if this source of income is FICA tax exempt, the IRS will look at the employee holding period, or how long they held onto the commodity before converting it to cash.

**Other Factors.** IRS guidelines note other factors that are important in determining if a non-cash wage is FICA tax exempt that are not addressed in the first and second components addressed above. For example, the IRS may question a transaction where the employer purchases farm products for the purpose of making non-cash payments to an employee, such as the purchase of a finished steer to provide meat as a non-cash wage.



When paying employees in non-cash commodities, it is important to recognize that not all payments of “commodity wages” will fall under the same level of IRS scrutiny. An employee that receives meat or milk for his/her family consumption should be safe from scrutiny and reclassification to “cash wages” by the IRS. An employee who is paid in corn, and then uses this corn as feed for his/her own livestock operation, should also be safe from scrutiny. However, the employee that receives a given value of the soybean check as wages will likely be scrutinized during an IRS audit and risks having the wages reallocated as cash wages that are subject to FICA tax. When using commodities as payment keep in mind the guidelines outlined above.

**Disclaimer:** This article is for educational purposes only and is not intended to be used as tax advice. It is strongly recommended that you seek council of a tax accountant or tax attorney before using any of this information.

**References:**

1. [https://irc.bloombergtax.com/public/uscode/doc/irc/section\\_3121](https://irc.bloombergtax.com/public/uscode/doc/irc/section_3121)
2. <https://www.irs.gov/publications/p51>
3. <https://www.investopedia.com/terms/f/fungibles.asp>

## Dairy Margin Coverage Offers a Unique Type of Risk Protection

Submitted by Matt Lippert  
Clark and Wood County, Dairy and Livestock Agent

Dairy markets have been strengthening seasonally this fall. Considering price only, 2021 is shaping up to be a pretty good year for milk prices. The problems with negative Producer Price Differential (PPD), which have eroded mailbox price relative to Class III price have also diminished as the year advances. However, strong exports of grains and oilseeds, strong domestic usage, and some production problems such as drought in the Western US have raised the cost to feed a dairy cow considerably.

### If it is not one thing, it is another...

Last year producers didn't get the full value of Class III prices due to negative PPD. This year, even though prices are better, and more stable, feed costs have outpaced the gains in milk price. This is especially noticeable if you buy a lot of feed, or if you are in drought situation and have less feed than normal for your herd. For those that contract in advance, the problem has been buffered by the forward pricing of feed, but as the poor margin over feed cost continues, protective contracts written earlier this year, or even last year are beginning to run out. Already market commentators are noting stress at the dairy farm level, with more and larger herds selling out, the expanding national herd beginning to contract and some local tightness in spot markets for milk.

### Dairy Margin Coverage (DMC), a valuable tool

USDA reports that 75% of US dairy farms are enrolled in DMC. For many farms this can turn a very bad situation into one that can be managed, so while it is familiar to many, there is still reason to discuss this program because 25% of dairy farmers are not utilizing this program.

### Things to know about DMC:

- It costs \$0.15 per hundredweight for up to 5 million pounds of annual milk production. (200 cows at 25,000 per cow). This protects a margin over feed costs of \$9.50 per cwt.
- The program is available for production levels above 5 million pounds or for margins between \$4.00 per cwt. up to \$9.50 but the \$9.50 per cwt. for the first 5 million pounds is very much the most popular option.
- The program is subsidized by the government to varying degrees, explaining why the \$9.50 per cwt. for the first 5 million pounds of production is the most popular option, offering a relative low cost and a high level of risk protection.
- So far in 2021 the DMC has calculated a payment every month, averaging above \$2.50 per cwt. for the first 5 million pounds of production.
- Margin is calculated monthly based on the price of dairy quality hay, corn and soybean meal and the average mailbox milk price. It is based on national averages, not costs or milk prices specific to your farm
- Through July production over \$150 million has been

distributed to Wisconsin averaging \$31,000 per farm (4,813 Wisconsin farms enrolled, 78.4% of producers).

- Farms are assigned a base from historic production, new producers without a production history can establish a base without history.
- Reenrollment or new enrollment will begin again this fall.

DMC offers protection even when futures contracts, options or LGM- Dairy do not. You can enroll to protect the \$9.50 margin no matter what the current market is offering. The program is unique because of this feature. It is hard to predict what the program will offer for 2022, but current high feed costs likely will challenge margins. The \$9.50 margin coverage protects a minimum margin slightly above average from several previous years. You can still participate in other programs such as Dairy Revenue Protection (DRP), LGM-Dairy, options, futures contracts in addition to Dairy Margin Coverage.

## Soil Sampling: A key step to nutrient management planning

Submitted by Dan Marzu  
Northcentral Region Nutrient & Pest Management  
Program Outreach Specialist

Many farmers I talk with associate nutrient management plans (NMP) with qualifying for cost share programs or fulfilling requirements for livestock siting or manure storage. While this is true that a NMP is required for several programs or ordinances, if written well and implemented it can be a valuable tool on the farm to analyze crop rotations and nutrient applications to reallocate or reduce their fertilizer expenses. In fact, in a 2012 study published in the Journal of Soil and Water Conservation, it was found that 69% of Wisconsin farmers saved on average \$18 per acre with a nutrient management plan. 65% farms decreased nitrogen applications by an average of 54 pounds per acre and 51% of farms decreased phosphorus applications by an average of 32 pounds per acre.

### A nutrient management plan consists of:

- Soil test results
- On-farm nutrient inventory
- Cropping plan
- On-farm conservation practices inventory
- Nutrient application plan



As this is the time of year that several farmers are thinking of soil testing, the focus of this article will describe that first important step of taking soil samples for nutrient management planning.

For nutrient management planning, a soil sample is taken every five acres, every four years. Fall is the most popular time to take soil samples, as it allows the farmer to receive the results to plan for fertilizer needs prior to spring planting. The time of the year is not as important as making sure the samples are taken during the same time of the year. Nutrient and soil pH levels can vary throughout the growing season. By taken the samples during the same season, the results from several years of testing can accurately show where nutrient levels are decreasing or

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increasing to determine if the plan is accomplishing its goal for that field.

Sampling depth is just as important as sampling timing to receive accurate soil test results. Taking a core that is too deep or too shallow can cause the report to show nutrient levels that are lower or higher than what are present. Also, varying the depth of the cores between sample areas may show nutrient variability throughout the field that may not be present. If fields have been moldboard plowed, take the core to the depth of tillage. Take cores that are 3/4 of the depth of chisel plow or off-set disk. In no-till, take the core to a depth of



six inches. When taking a sample, avoid parts of the field that are not representative of sample area, such as manure stacking sites, banded fertilizer, low spots, eroded knolls, headlands, or near fences or roads. Walk in a “W” pattern in each area while taking at least ten cores per sample. When taking the core, brush away any plant residue on the soil surface to prevent the residue from affecting the soil test results.

Use plastic bucket to collect and mix the cores. Avoid metal buckets or other buckets used for other purposes such as feeding these may contaminate the soil sample. Once mixed pour the sample into a bag that is labeled with the submitter’s name, field ID, and sample number. If SNAP Plus computer software is used to write a nutrient management plan, it is best to use the same field ID and sample number that is in the software to make importing the data easier.

The sample must be submitted to a Wisconsin certified soil laboratory, such as the UW-Madison Soil and Forage Lab. The Wisconsin Department of Agriculture, Trade, and Consumer Protection has all the certified laboratories listed at the following website: <https://datcp.wi.gov/Documents/NMSoilManureLabs.pdf>. More information on the UW lab can be found at: <https://uwlabs.soils.wisc.edu/soil-samples/>

Below is an example of soil submission form from the UW-Madison Soil and Forage Lab. Various laboratory’s forms may look different, but all will ask for the same information.

Soil & Forage Analysis Lab  
2611 Yellowstone Dr. Marshfield, WI 54449  
(715)887-2523  
<http://uwlabs.soils.wisc.edu>

University of Wisconsin – Madison/Extension  
College of Agricultural and Life Sciences  
Department of Soil Science

**Soil Submission Sheet for Field, Vegetable and Fruit Crops**

For Lab Use Only:  U.S. Mail  Email :  Cash  Check No.  Credit Card

Date: \_\_\_\_\_ Name: \_\_\_\_\_ Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

TOTAL # SAMPLES: \_\_\_\_\_ PLOW DEPTH: \_\_\_\_\_ COUNTY OF SOIL ORIGIN (required): \_\_\_\_\_

FIELD ID	SAMPLE NO(S)	Crop to be sampled (circle)	Soil Name (required)	Acres in Field	Slope %	4-YEAR CROP ROTATION		FERTILIZER CREDIT INFORMATION						
						Sequence to be Grown (crop code)	Yield Goal	Previous Legume Crop	Legume Crop (crop code)	Legume Forage % stand (circle)	Check if more than 6" regrowth in fall	Manure Cattle (See below)	Application Rate T/ha	Time to Incorporate (Circle one)
								< 30					> 72 hrs	1
								30-70					1-72 hrs	2
								> 70					< 1 hr	3+
								< 30					> 72 hrs	1
								30-70					1-72 hrs	2
								> 70					< 1 hr	3+

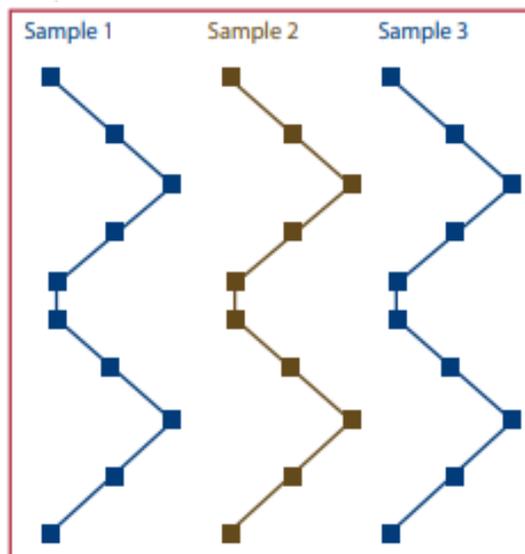
The information that may be asked includes:

- County of origin is needed to determine if the field is in a high yield or medium yield area to determine nitrogen rates
- Field ID and sample number is the same as indicated on the soil bag
- Soil name is required to provide accurate recommendations based on soil texture (sandy, organic, or loamy type soils)
- Sequence to be grown is needed as each crop has specific recommendations. The UW lab uses numbers as codes for the crops. These are listed on the back or on a separate sheet of the form.
- Yield goal aid in determining recommendations for phosphorus and potassium rates.
- Other items that may affect recommendations you can note on the form include irrigation, tiled fields, and nutrient credits from legumes or manure applications.

For more information on soil sampling, the following is a great video developed by Dan Smith, Southwest Nutrient and Pest Management Outreach Specialist, that demonstrates soil sampling procedures: <https://www.youtube.com/watch?v=nqQkbn26Fd8>

Taking this first step of soil testing, will aid in the determining the nutrient management decisions of right nutrient source, right nutrient rate, right application timing, and the right nutrient place. Contact your local county Extension Educator or county Land and Water staff for more details on nutrient management planning.

**Figure 1.** Recommended W-shaped sampling pattern for a 15-acre field. Each sample should be composed of at least 10 cores.





African swine fever is a virus that affects both domestic and wild pigs. It spreads very quickly and kills most pigs that get it. This disease has never been found in the United States. It is not a threat to human health. It is not a food safety issue.

People cannot get African swine fever, but they can carry it on clothing, shoes, and equipment. An outbreak in the United States would have devastating economic effects on the swine industry.

**Help keep U.S. pigs free of this deadly disease!**

**Understand how the virus spreads, and do your part to protect against it.**

**More info:**  
[www.aphis.usda.gov](http://www.aphis.usda.gov)

# African Swine Fever

## Protect Your Farm Using Biosecurity

### What's Biosecurity?

Biosecurity refers to all measures taken to keep diseases and pathogens that carry them—viruses, bacteria, fungi, parasites, and other micro-organisms—away from livestock, property, and people.



### People can spread disease without knowing it.

To protect your pigs, use strong biosecurity practices on your farm—all day, every day.

- Review existing biosecurity plans with an accredited veterinarian, and update or improve if needed. No plan? Make one and follow it.
- Make sure anyone who comes to your farm—workers and visitors—knows and follows your biosecurity practices.
- Provide biosecurity training to new workers or anyone on your farm.

### Know Who & What Is On Your Farm Don't let anyone carry disease onto your farm.

- Limit on-farm traffic as much as possible.
- Keep detailed records of all people, vehicles, and equipment at your farm or other pig production facilities.
- Clean and disinfect all equipment and vehicles entering or leaving your site.
- Isolate sick pigs from the herd, and keep them away from visitors.
- Ask visitors about recent international travel. Don't let anyone who has been in an African swine fever-affected country onto your farm for at least 5 days after returning to the United States.
- Make sure visitors wear clean clothes and shoes at all pig production facilities and farms.

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# Sweat Equity

Submitted by Heather Schlessner and Joy Kirkpatrick  
Marathon County, Dairy Agent & Center for  
Dairy Profitability

In farming, sweat equity is a term that is loosely used to define how established farmers use payment of a commodity or capital assets to replace some of the cash wages for employees. Sweat equity is also the term sometimes used to compensate a successor for years of labor and management that helped build the owner generation's wealth. It can be used to justify gifting personal, titled property, or giving a discounted price when the property is eventually sold to the successor. When considering labor compensation in forms other than money, the goal of both the employer and employee should be analyzed to ensure it is an appropriate compensation package.

## Sweat Equity used for Commodity wages:

Forms of commodity payments include:

- Immediately consumable meat, milk, eggs or other food items in place of a cash wage
- A commodity of grain, milk or animals that will be sold and eventually converted to cash
- Breeding stock that can either remain in the employer's herd or used to start the employee's own herd
- Transfer of ownership or a percent interest of ownership in a capital farm asset

If the employee's goal is to learn more about the farm business and gain management skills, commodity payments can provide a way to allow him/her to make management decisions on a smaller scale. Sweat equity payments in the form of commodities can help the employee gain experience in the management and marketing of the commodity. One example would be the payment of grain allowing the employee to make decisions of when and where to market that grain. Market livestock can provide additional skill development as the employee makes management decisions to raise the livestock to market weight. From the employer's perspective, skills development can translate into a better employee who can be given more responsibilities. In addition to skill development, the employer may not have the cash flow to completely compensate the employee, but can provide the commodity as part of the wage package. Finally, there can be income tax savings if a portion of the wage is in the form of a commodity. However, if this is the main or only goal, the parties should consider if the tax savings is large enough to warrant the work required to document and adhere to the income tax rules.

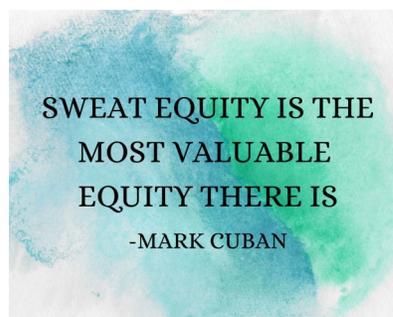
If the employee's goal is to eventually manage their own herd, payments in breeding stock may be a viable option. Again, this provides the opportunity for him/her to develop management skills while the farm manages cash outlays for labor. With this option it is important to consider where the animals will be housed. In the case of a dairy, if animals stay in the original herd, but are owned by the employee how will feed and other ownership costs be paid and how will milk income be distributed? The employer must consider the long-term implications of the employee's animals remaining in the herd and taking facility space from the owner's herd. The employer should determine if they can manage the loss of the income? Or does the owner need to calculate overhead costs and charge this expense to the employee?

## Sweat Equity used for Succession:

When the goal is to slowly transfer business assets to the next generation, sweat equity can provide the transfer of assets or percent interest in assets to the successor. For example, breeding stock can be transferred to the successor over time allowing them to own a significant portion of the herd. This mode of equity transfer can be facilitated by forming a business entity that owns farm assets as shares or interest. These shares or interest can then be transferred to the successor. This option, when clearly outlined in a farm succession plan, can provide the successor generation a guarantee that the assets will be transferred. This guarantee removes the speculation that surrounds a verbal promise of "Someday, this will all be yours". Sweat equity can also relieve the pressure of cash flow on the operation if the successor can manage their living expenses with a smaller paycheck. One thing to consider with this option is how much of the assets can and should be transferred in this way. Is the owner generation dependent on these assets for retirement? If the answer to this question is yes, how much of the assets can be provided in trade for labor? How much needs to be retained by the owner or be sold to the next generation for cash to fund retirement needs?

## Valuing Sweat Equity:

Sweat equity is as valuable as cash equity and should have a one-to-one conversion rate. Therefore, it is important to correctly value the items being given as sweat equity. Some commodities have a worldwide market and their value can be more easily determined by this market value. Other



commodities produced on farm such as cattle are not as easy to value. While market can be used to determine an animal's worth, this may be undervalued if the animal can command a premium above what they could be harvested for. For example, cattle with high value phenotypes or genetics

can sell for much higher than market value.

It is important to have production records on these animals including milk, fat and protein to determine the value of these animals. In addition, rolling herd average and classification scores can be useful marketing tools.

In addition, cattle can be appraised to determine their value. This is most commonly done for insurance purposes but also can help determine a baseline value of your herd. To assess the animal's worth, the appraiser will evaluate the quality of the animal. This can include a comparison of your animals to animals of similar quality that have recently sold. An appraiser may use a calculation to determine fair market value. This calculation will be specific to the type of cattle, cow or replacement.

Milk cow appraisal includes future milk production, future calf production and the current value of the animals in the cull market. Replacement value uses the market value to determine the price of the animal. The majority of markets report values for springing heifers. Calculations based on this value can be used to determine the value of bred heifers, 1-3 months pregnant, and heifers that are 4-6 months pregnant. The price of

*Continued on page 13*

**Sweat Equity—Continued from page 12**

open animals can also be determined from market value and is broken down by age and weight. Replacements with above average phenotypic or genetic value can also be appraised as a percentage of the milk cow value.

The use of sweat equity allows employees and successors to build equity. It is important to consider if the compensation is equitable for the work done and the tax implications of using sweat equity. For more information, read our article on tax implications of sweat equity available.

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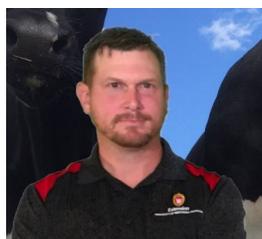
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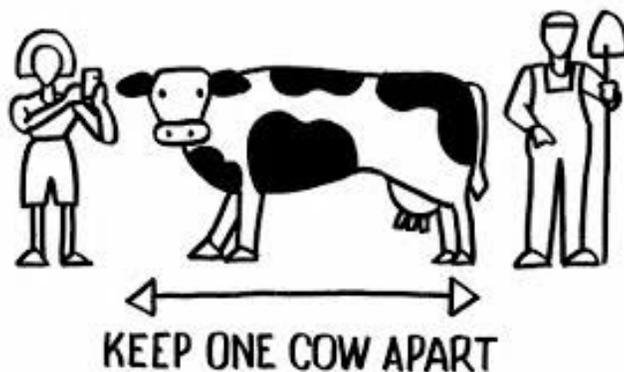
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**EXTENSION CENTRAL NEWS**

A cooperative effort of multiple  
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NOVEMBER 3, 10, 17, 2021  
7:00 - 8:00 PM CST

# BADGER SWINE SYMPOSIUM

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VIRTUAL EVENT

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